United Nations S/2000/265

Security Council

Distr.: General
29 March 2000

Original: English

Letter dated 28 March 2000 from the Chargé d'affaires a.i. of the Permanent Mission of Papua New Guinea to the United Nations addressed to the President of the Security Council

I attach for the information of the members of the Security Council the Loloata Understanding on the Bougainville issue.

You will note that from 17 to 23 March 2000 a historic meeting was held between all key leaders of Bougainville (with the exception of Francis Ona) and the Papua New Guinea Government delegation led by the Minister for Mining and Bougainville Affairs, Sir Michael Somare, KBE, MP.

The results of that meeting, although not conclusive, are nonetheless very positive as they pave the way forward on the difficult political issue of the status of the North Solomons Province (commonly known as Bougainville).

The Loloata Understanding was signed by the Government of Papua New Guinea and the Bougainville leaders, including the Minister for Mining and Bougainville Affairs, Sir Michael Somare, KBE, MP; the Governor, John Momis; the President of the Bougainville Peoples Congress (BPC), Joseph Kabui; and the leader of the Leitana Council of Elders, Joel Banam, in the presence of the head of the United Nations Political Office in Bougainville, Noel Sinclair, and Ewan MacMillan, Chief Negotiator of the Regional Peace Monitoring Group.

Prominent among the issues discussed and agreed to was the question of a democratically elected Autonomous Government of Bougainville by the people within the general framework of the Papua New Guinea Constitution. This means that the "Autonomous Government of Bougainville" would be accorded wider powers mutually negotiated outside of the current Organic Law on Provincial Governments by the Government of Papua New Guinea and the leaders of Bougainville.

The delegation of the Government of Papua New Guinea also agreed to take on board the question of a future referendum by the people of Bougainville after an autonomous government is democratically elected and has been in operation for a number of years. The details of the referendum question were not comprehensively discussed and agreed upon but the Loloata Understanding ensured the discussion of the same at future meetings.

As can be seen from this Agreement, the role of the United Nations monitors, led by Ambassador Noel Sinclair, is an essential catalyst for the peaceful settlement

00-36739 (E) 290300

of the Bougainville issue. There is therefore a need for the continued engagement of the United Nations observers on Bougainville.

I would appreciate it if the Loloata Understanding were distributed as a document of the Security Council.

(*Signed*) Jimmy U. **Ovia**
Chargé d'affaires a.i., Minister

Annex

Loloata Understanding

Bougainville leaders and the National Committee on Bougainville met at Loloata Island and in Port Moresby from 17th to 23rd March 2000.

- The parties remain committed to the peace process and to continued consultation and cooperation within the framework and spirit of the *Lincoln Agreement*;
- The parties acknowledge that for the peace process to continue to develop successfully, it must be as inclusive as possible, having the support and approval of the widest possible range of leaders in Bougainville and in Papua New Guinea more generally;
- The parties discussed the Bougainville paper, 'Bougainville Common Negotiating Position: Expanded Details' dated 8th March 2000, the Papua New Guinea Government paper, 'The National Delegation's Position on the Bougainville Delegation's Autonomy Proposals' dated 19th March 2000, and other papers, and agree that these documents provide the basis for future negotiations between the parties.

The Parties agree on the following matters:

Interim Arrangements

1. The Bougainville Interim Provincial Government will be established under the Transitional Provisions of the *Organic Law on Provincial Governments and Local-level Governments* in accordance with the decision of the National Court of 10th March 2000.

2. The parties note that arrangements for cooperation between the Bougainville Interim Provincial Government and the Bougainville People's Congress and Councils of Elders have been agreed under the *Greenhouse Memorandum* of 23rd December 1999.

3. Negotiations on a political settlement will continue with the Bougainville Leaders.

Autonomy

4. The arrangement for an autonomous Bougainville Government will:
    - Enable it to deal with the sources of the Bougainville conflict and prevent it from occurring again;

- Enable Bougainville to express and develop both its own identity and its relationship with the rest of Papua New Guinea.

5. The arrangements for an autonomous Bougainville Government will be provided within the Papua New Guinea *Constitution*, including any amendments, and will include provision for the following matters:
   a. Bougainville will establish an elected autonomous government developed through a democratic process.
   b. The autonomous Bougainville Government will meet accepted standards of good governance.
   c. Bougainville will have responsibility for major powers and functions of government to be agreed upon.
   d. Bougainville will take some years to exercise many legislative powers and functions. Until Bougainville assumes responsibility for the full range of its powers and functions, National Government legislation and institutions will continue to apply.
   e. Bougainville will need the fiscal and personnel resources required to carry out its functions.
   f. Bougainville will receive substantial funds for reconstruction, restoration and development activities to support the peace process.

Referendum

6. The National Government acknowledges the aspirations for a binding referendum on independence as called for by the Bougainvillean leaders. The parties reaffirm their support for a progressive political settlement that takes account of, among other things, the wishes of the people of Bougainville. The parties will address the referendum issue. The parties agree that the holding of the referendum may be deferred until after autonomy has been implemented and can be fairly and properly judged.

Next Steps and Timetable

7. Officials of the parties will meet to develop:
   a. detailed proposals within the framework provided by this agreement; and
   b. a draft agenda for the next Leaders' meeting.

8. The parties acknowledge the helpful role that the United Nations Observer Mission on Bougainville can play at their meetings.

9. The parties agree that there should be increased direct contact between National Government Leaders and Bougainville Leaders.

10. The next Leaders' meeting will be held no later than May 2000.

Signed in Port Moresby on Thursday the 23rd day of March 2000.

.....
Rt. Hon. Sir Michael Somare
Minister for Bougainville Affairs and Chairman of the National Committee on Bougainville

.....
Hon. John Momis
Co-Leader of the Bougainville Delegation

.....
Joel Banam
Chairman, Leitana Council of Elders

.....
Joseph Kabui
Co-Leader of the Bougainville Delegation

Signed in the presence of:

.....
Ambassador Noel Sinclair
Director of the United Nations Observer Mission on Bougainville

.....
Ewan MacMillan
Chief Negotiator
Peace Monitoring Group